GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1105
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IMPACT OF NUCLEAR TEST ON EXPORT IMPORT
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the Import-Export that suffered after the 1998 nuclear tests;

(b) the steps taken by the Governments to increase the exports and decrease the imports in the country;

(c) whether some countries have lifted their bans which were imposed aftermath 1998 nuclear tests; (

(d) if so, the details thereof; and (

(e) the extent to which India`s manufacturing sector and trade has or likely to be improved as a result thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b): The value of Exports and Imports of Indian merchandise goods and the growth rates as per data furnished by Directorate General of Commerce Intelligence and Statistics, Calcutta, are given below:

(US $ Million)

Year	Exports	% Growth	Imports	% Growth
1997-98	35006	4.6	41484	6.0
1998-99	33219	(-) 5.1	42389	2.2
1999-2000	36822	10.8	49671	17.2
2000-01	44560	21.0	50537	1.7
2001-02 April-Sept. (Provisional)	20968	(-)1.95	25931	1.81

The negative growth in 1998-99 was mainly due to the South East Asian crisis.There has been no perceptible impact on India`s exports due to the ban by countries like USA as the Indian entities affected by export restrictions hardly export to USA.

Several measures to boost exports have been taken in order to provide competitive edge to Indian goods in the global market. The measures include reduction in transaction costs through decentralization, simplification of procedures and various other measures as enumerated in the Exim Policy. Steps have also been taken to promote exports through multilateral and bilateral initiatives, identification of thrust sectors and focus regions, setting up of Special Economic Zones. Besides these, the measures announced in the new Exim Policy 2001-2002 inter alia include promotion of agricultural exports, market access initiative, setting up business cum trade facilitation center, etc. Some of the recent measures taken to promote exports include reduction in the export credit rate for both pre-shipment and post-shipment, special financial package to manufacturer exporters with a export contract of Rs. 100 crores or above for a period of one year from October 2001, extension of normal repatriation period from 180 days to 360 days for exports made to Latin American countries for a period of one year and upward revision of duty drawback rates on a number of product groups. Export performance is constantly being monitored and measures are being taken to reduce the trade deficit. A war room is constantly monitoring the import of sensitive items for which Quantitative Restrictions have been removed.

(c), (d) & (e): The restrictions imposed by countries like USA and Japan consequent upon Indian Nuclear Tests of May, 1998 have since been lifted. However, the actual impact of the removal of these restrictions on Indian Trade etc. cannot be quantified separately as the manufacturing and trading activities are determined by a number of factors like global economic growth, infrastructural development within the country etc.